

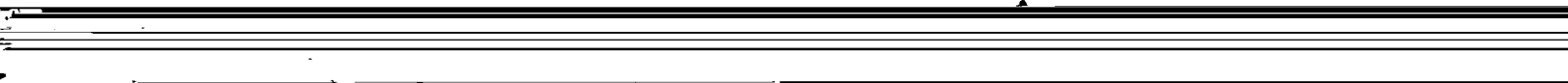

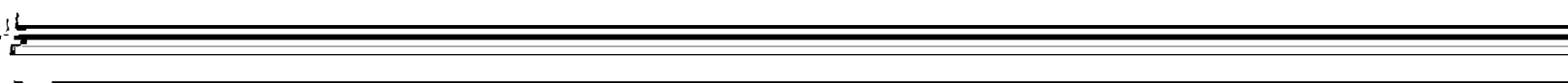
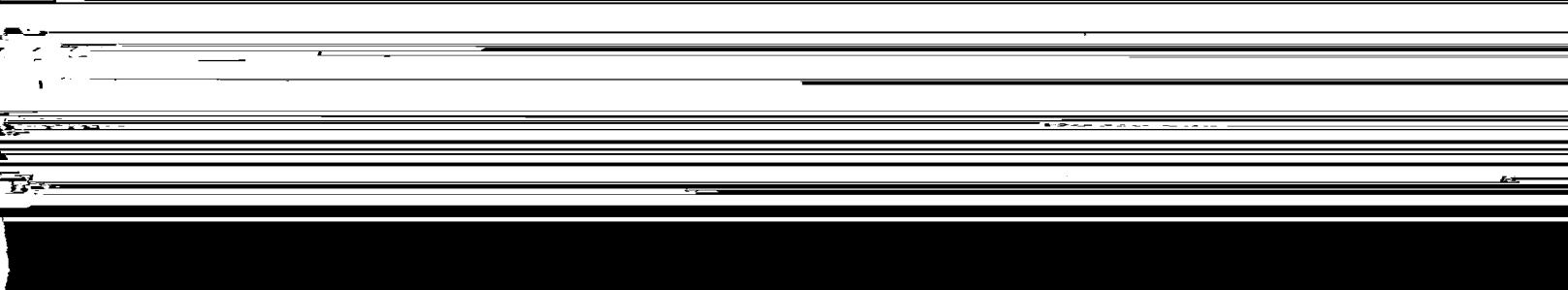


developments might impact the programming strategies of sports rights-holders, broadcasters and cable programmers.

C. Certain Features of the Future Sports Programming Landscape Can be Discerned

1. The Super Bowl and World Series Will Remain on Broadcast Television

Concern has been expressed that broadcasters may ultimately abandon the Super Bowl and World Series and that these events will only be available on cable. Time Warner believes these events will remain on broadcast television. These events will



negotiations will continue to start with the network package. This reflects prudent business practice on the part of the sports leagues; for it is difficult to sell the excess product to cable before consummating the deal that defines what is "excess." It also reflects the fact that broadcast telecasts will continue for the foreseeable future to occupy a pivotal place in the programming goals and strategies of the major sports leagues and teams.

3. Rights-holders Will Market Their Excess Product More Aggressively, Resulting in Increased Use of Different Media to Telecast the Same Event

It seems likely that the future pattern of sports events programming for a given sports event will resemble an inverted pyramid. At the bottom of the pyramid for a given telecast might be pay-per-view; allowing a fan of a particular sport or team the opportunity to see a game which a demographically-driven environment could otherwise afford to bring to him.

The intermediate and top levels of the pyramid would be occupied by cable sports programmers and broadcasters. The allocation of a given game between them would no doubt vary by sport. But the essential concept is that certain viewers would view the game via broadcast and those in other locations via cable.

This model allows both the sellers and buyers of sports rights to optimize distribution of the product by mirroring the degree of viewer intensity and profusion. The Commission should embrace such a result since it promotes consumer welfare by maximizing the amount of sports programming available to the viewing public without creating undue hardship on teams, leagues, broadcasters or programmers.

V. Conclusion

Time Warner respectfully submits that the Commission satisfy its obligation under Section 26 of the Cable Act consistent with the comments contained herein.

Respectfully submitted,

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